



California Association for Bilingual Education

October 2023 Legislative Advocate Report

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IRS Tax Extension

During the final deadline for taxes to be completed under the extended deadline of October 16th, the [IRS announced an additional extension](#) to November 16th for 55 of California's 58 counties.

The continued federal extension could impact some projected state tax receipts that were expected in October. The Franchise Tax Board, the entity that collects taxes for the state, has collected \$17.3 billion in personal income taxes as well as corporation taxes in October, which is far below what was projected to come in. The state had projected a total of \$44.9 billion to come in by the end of October. While potential delays are not expected to impact California's cash flow, should the extension hinder the ability for the final tax revenue numbers to materialize in time, it may make it difficult to accurately project revenues when the Governor releases his budget in January. Should this happen, it may limit how much the Governor may be willing to include in his proposed budget.

Economic Shadows Emerge

The [Department of Finance](#) released its newly revised [October Finance Bulletin](#) this week, noting that while unemployment remains relatively stable, various forms of inflation continue to shift, with both U.S. and California core inflation decreasing from last year to both 5.1% and 4%. General Fund agency cash receipts for the 2022-23 fiscal year totaled \$980 million above the 2023-24 Budget Act forecast.

The October cash flow reflects the recent tax filing deadline extension, which impacts both personal and corporate income taxes; how this will impact final numbers is still unknown. Personal income tax cash receipts were \$16 million higher than projected but September refunds were \$146 million higher than projected, leaving the cumulative refund overage at \$1.427 billion since April. Corporate tax cash receipts totaled \$848 million higher than forecast in September, leaving refunds \$773 million above the April forecast. Net corporation tax revenues were down \$962 million cumulatively since the April forecast. Sales and use tax cash receipts were \$91 million below forecast and were \$104 million below forecast for the first three months of the 2023-24 fiscal year.

It is likely that these lower and fluctuating numbers may cause the Governor to introduce a more fiscally conservative budget until signs of an economic improvement begin to emerge, which could impact CABE priorities.

2024 Legislative Calendar Released

The Legislature recently released the 2024 calendar, which includes some key dates to pay attention to:

- January 4 – Legislature reconvenes
- January 10 – Budget must be submitted by the Governor
- February 17 – Last day for bills to be introduced
- April 28 – Last day for policy committees to hear fiscal bills
- May 19 – Last day for fiscal committees to hear and report bills to the Floor
- June 2 – Last day for each house to pass bills introduced in that house
- June 15 – Budget bill must be passed
- July 14 – Last day for policy committees to meet and report bills – Beginning of Summer Recess
- August 14 – Legislature reconvenes from Summer Recess
- September 1 – Last day for fiscal committees to meet and report bills
- September 14 – Last day of Session
- October 14 – Last day for Governor to sign or veto bills.